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PACIFIC  **TELESIS**
Group-Washington

June 10, 1996

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, DC 20554

Dear Mr. Caton:

Re: *WT Docket No. 95-157, RM-8643 - Amendment to the Commission's Rules
Regarding a Plan for Sharing the Costs of Microwave Relocation*

On behalf of Pacific Bell Mobile Services, please find enclosed an original and six copies of its "Comments on Cost Sharing Clearinghouse Plans" in the above proceeding.

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,



Enclosure

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of

Amendment to the Commission's Rules
Regarding a Plan for Sharing the Costs
of Microwave Relocation

WT Docket No. 95-157
RM-8643

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**COMMENTS OF PACIFIC BELL MOBILE SERVICES ON COST
SHARING CLEARINGHOUSE PLANS**

I. INTRODUCTION.

Pursuant to the Public Notice¹ dated April 25, 1996, Pacific Bell Mobile Services hereby comments on the clearinghouse plans submitted by Personal Communications Industry Association ("PCIA") and Industrial Telecommunications Association, Inc. ("ITA").

While the Commission has delegated authority to the Bureau to select one or more entities for the creation and management of a neutral, not-for-profit clearinghouse, we believe that the interests of the participants in the cost-sharing program would be better served by the selection of a single entity to perform the clearinghouse function and that PCIA should be the entity. Our reasons for that conclusion are discussed below.

¹ Wireless Telecommunications Bureau Solicits Business Plans from Parties Interested in Becoming the Clearinghouse that will Administer the 2 GHz Relocation Cost Sharing Plan, DA 96-647, ("Public Notice").

II. MULTIPLE ENTITIES RAISE ISSUES OF EFFICIENCY AND CONFIDENTIALITY.

ITA argues that competition will create operational efficiency and the development of innovative services and competitive prices.² We disagree. Two clearinghouses will mean that two different database systems will have to be set up and the cost of those systems will have to be recovered from the participants. Thus, it is difficult to see how the participants will be better off financially with two duplicate clearinghouses.

As the Bureau is aware, issues relating to confidentiality have been raised relating to the clearinghouse. Both plans deal with how to protect confidentiality. However, if there are two clearinghouses, then information must be exchanged. Obviously, the more individuals with access to confidential information, the greater the likelihood that the protections in place may be compromised in some way. We believe that one clearinghouse provides greater protection on issues of confidentiality.

III. PCIA'S PLAN IS BASED ON A COST AND EXPENSE STRUCTURE THAT ENSURES THAT PARTICIPANTS WILL RECEIVE THE BENEFITS OF FUNDS COLLECTED IN ADDITION TO PCIA'S INITIAL ESTIMATES.

The clearinghouse must be offered on a not-for-profit basis.³ The PCIA plan is based on conservative estimates. Thus, PCIA acknowledges that it will "likely collect more funds than necessary to cover expenses and repay upfront funding."⁴ For this reason, PCIA states, "The clearinghouse will review the fee level annually to permit

² ITA, p. 4.

³ Public Notice.

⁴ PCIA, p. 10.

any needed adjustments based on the funds collected. Any excess funds will be used to reduce future costs so that the clearinghouse is operated on a non-profit basis. In addition, any additional funds after expenses and upfront funding are paid at dissolution and will be refunded to members in accordance with the amount of fees overpaid, consistent with Section 501(c) of the Internal Revenue Code.”⁵

The ITA plan does not contain any similar representation of how it deals with excess funds in order to maintain the required not-for-profit status. Moreover, one source of funds in the ITA plan raises questions. ITA states that it plans to provide a CD-ROM that will contain critical microwave incumbent data for \$5,000.⁶ The data includes a summary of each PCS base station to be deployed by the Later Entrant.⁷ However, in another part of the plan ITA states PCS base station information is not necessary and if inadvertently supplied, it will not be stored and will be returned to the registering Prior Relocator.⁸ Consequently, it is unclear what ITA actually proposes. In any case, selling such information for a fee of \$5,000 seems beyond the purpose of the clearinghouse which is to facilitate the cost sharing program, not to serve as a source of competitive information.

IV. ITA PLAN OFFERS NO OPPORTUNITY FOR INPUT FROM A BROAD BASED INDUSTRY GROUP.

ITA proposes that it will create a Clearinghouse Division within the ITA organization to conduct the activities of the clearinghouse.⁹ There is no opportunity for

⁵ Id.

⁶ ITA, p. 83.

⁷ ITA, p. 38.

⁸ ITA, p. 20.

⁹ ITA, p. 74.

input from those affected by the cost sharing rules. On the other hand, PCIA proposes that the clearinghouse will be an independently incorporated subsidiary of PCIA with its own by-laws, membership and Board of Directors.¹⁰ Any entity subject to the Commission's cost sharing rules can be a member. We agree with PCIA that this structure allows for wide participation from all cost sharing participants and will ensure a sufficiently wide representation of interests so that no one group will dominate the Board.¹¹ The Commission has stated that "We also believe that it is essential for the plan to be administered by industry to the fullest extent possible."¹² We believe that PCIA's plan which allows for broad industry participation is far more consistent with that goal than ITA's plan.

V. ITA'S FEE STRUCTURE IS UNCLEAR.

ITA's plan states that the PCS Relocator Registration is \$150/link and a Proximity Threshold Test ("PTT") is \$250. It is not clear who ITA intends to charge for PTTs run on each base station filed.¹³ For a 1,000 station PCN, this would generate a fee of \$25,000 that is far in excess of PCIA's \$2,000 transaction fee. In addition ITA projects \$250,000 in revenue from PTT's in the first year.¹⁴ This would be the equivalent of 10,000 base stations going through the process. This appears to be very optimistic.

¹⁰ PCIA, p. 4.

¹¹ Id.

¹² Amendment to the Commission's Rules Regarding a Plan for Sharing the Costs of Microwave Relocation, WT Docket No. 95-157 Notice of Proposed Rulemaking, para. 41 (1996).

¹³ ITA, p. 83.

¹⁴ ITA, p. 92.

VI. CONCLUSION.

As can be seen from the foregoing, there are some serious problems with ITA's proposal in terms of what information is being collected and sold, input from the industry, and potentially in the fee schedule.

PCIA's plan has none of these deficiencies. It is a well constructed plan that provides for an efficient and impartial clearinghouse. We strongly urge the Bureau to affirm its tentative conclusion and designate PCIA as the cost sharing clearinghouse and to reject the ITA plan. We are confident that PCIA will administer the Commission's cost sharing plan in a cost effective and equitable manner.

Respectfully submitted,

PACIFIC BELL MOBILE SERVICES



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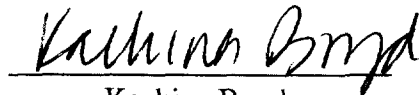
June 10, 1996

CERTIFICATE OF SERVICE

I, Kachina Boyd, do hereby certify that a copy of the foregoing COMMENTS OF PACIFIC BELL MOBILE SERVICES ON COST SHARING CLEARINGHOUSE PLANS was mailed on this 10th day of June 1996, via first class United States mail, postage prepaid to the parties listed below.

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Industrial Telecommunications Association, Inc.
Mark E. Crosby
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Kachina Boyd